

SENATE BILL NO. 1686

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR MCCREERY.

7292S.011

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 100.240, RSMo, relating to the repeal of certain tax incentives for professional sports teams.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 100.240, RSMo, is repealed, to read as follows:

2 [100.240. 1. This section shall be known
3 and may be cited as the "Show-Me Sports
4 Investment Act".

5 2. The state of Missouri, acting through
6 the department and the office of administration,
7 may, upon such terms and with reasonable
8 consideration as it may determine, subject to
9 appropriation, expend funds for the purpose of
10 aiding and cooperating in the planning,
11 undertaking, financing, or carrying out of an
12 athletic and entertainment facility project for
13 which application is made to the department and
14 approved by the director and the commissioner.

15 3. As used in this section, the following
16 terms shall mean:

17 (1) "Athletic and entertainment facility",
18 structures, fixtures, systems, and facilities of
19 sports and entertainment venues with seating
20 capacity of more than thirty thousand, including
21 associated parking facilities, and that the
22 director and commissioner determine is a
23 contributing factor in the attraction or
24 retention of sports, recreational, or
25 entertainment activities, whether professional,
 commercial, or private, and a primary factor in

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

26 the retention of a professional sports franchise
27 in the state. An athletic and entertainment
28 facility may include a professional sports
29 franchise's headquarters facility and training
30 facility, regardless of whether they are co-
31 located in or adjacent to the stadium, but still
32 located within the state. Such structures,
33 fixtures, systems, and facilities may include,
34 but are not limited to, foundations, roofs,
35 interior and exterior walls or windows, floors,
36 steps, stairs, concourses, hallways, restrooms,
37 event or meeting spaces or other hospitality-
38 related areas, concession or food preparation
39 areas, or services systems such as mechanical,
40 gas utility, electrical, lighting,
41 communication, sound, sanitary, HVAC, elevator,
42 escalator, plumbing, sprinkler, cabling and
43 wiring, life-safety security cameras, access
44 deterrents, public safety improvements, or other
45 building systems;

46 (2) "Baseline year", the calendar year
47 prior to submission of an application to the
48 department under this section;

49 (3) "Baseline year state tax revenues",
50 the state tax revenues derived directly from the
51 operations of the athletic and entertainment
52 facility of the professional sports franchise,
53 including vendors and tenants located in the
54 athletic and entertainment facility but
55 excluding all state tax revenues derived from
56 matches of the 2026 FIFA World Cup soccer
57 tournament which are held in any county with
58 more than seven hundred thousand but fewer than
59 eight hundred thousand inhabitants, during the
60 baseline year;

61 (4) "Board", the Missouri development
62 finance board created by section 100.265;

63 (5) "Commissioner", the commissioner of
64 the office of administration of the state of
65 Missouri;

66 (6) "Department", the Missouri department
67 of economic development created by section
68 620.010;

- 69 (7) "Director", the director of the
70 department of economic development;
- 71 (8) "Lease", a lease agreement between the
72 professional sports franchise and the owner of
73 the athletic and entertainment facility, without
74 regard to options to renew the lease. For the
75 purposes of subdivision (5) of subsection 5 of
76 this section, in the event one component of the
77 athletic and entertainment facility has a
78 different end of the term of the lease date than
79 another component, the lease term that ends the
80 latest in time shall be applicable;
- 81 (9) "Professional sports franchise", any
82 professional sports team that is a member of
83 Major League Baseball or the National Football
84 League;
- 85 (10) "Project", the development,
86 construction, reconstruction, rehabilitation,
87 repair, or improvement of any athletic and
88 entertainment facility for which an application
89 is made and approved by the director and the
90 commissioner. A project must have total project
91 costs of at least five hundred million dollars
92 to be eligible for funding under this section.
93 Residential, commercial, retail, or mixed-use
94 development adjacent to an athletic and
95 entertainment facility shall not be included as
96 part of the project. All projects receiving
97 appropriations pursuant to this section shall
98 comply with the provisions of sections 290.210
99 to 290.340;
- 100 (11) "State tax liability", any liability
101 incurred by a taxpayer under chapter 143, 147,
102 or 148, exclusive of the provisions relating to
103 the withholding of tax as provided for in
104 sections 143.191 to 143.265 and related
105 provisions;
- 106 (12) "State tax revenues", the sum of the
107 following:
- 108 (a) The general revenue portion of state
109 sales tax revenues received under section
110 144.020, excluding sales taxes that are
111 constitutionally dedicated, taxes deposited to
112 the school district trust fund in accordance

113 with section 144.701, sales and use taxes on
114 motor vehicles, trailers, boats, and outboard
115 motors, and future sales taxes earmarked by law;

116 (b) The state income tax withheld on
117 behalf of employees by an employer under section
118 143.221; and

119 (c) The nonresident professional athletes
120 and entertainers state income tax revenues as
121 set forth in section 143.183;

122 (13) "Tax credit", a credit against the
123 taxpayer's state tax liability, or which may be
124 transferred or sold as provided for in
125 subsection 7 of section 100.286.

126 4. Applicants shall submit an application
127 to the department containing all information
128 required by the department, including
129 information to ascertain the applicant's
130 baseline year state tax revenues. The director
131 and the commissioner shall review the
132 application for eligibility and may, in their
133 discretion, enter into an agreement as described
134 in subsection 2 of this section, provided the
135 agreement meets all other requirements of this
136 section. Notwithstanding section 32.057 to the
137 contrary, the department of revenue shall,
138 pursuant to an agreement as authorized by
139 section 610.032, disclose to the director and
140 the commissioner, or their duly authorized
141 employees, information from reports or returns
142 so that the baseline state tax revenues can be
143 verified.

144 5. Any annual expenditure by the state in
145 connection with an athletic and entertainment
146 facility project shall be subject to annual
147 appropriation and shall be no greater than an
148 amount equal to the baseline year state tax
149 revenues for the applicable professional sports
150 franchise's athletic and entertainment facility,
151 as stated in an agreement entered into between
152 the department, the office of administration,
153 and the applicant; provided, however, that:

154 (1) The term of state appropriations under
155 any such agreement shall not exceed thirty years;

156 (2) The annual amount of the state
157 appropriation authorized under this section for
158 a project shall not exceed an amount equal to
159 the baseline year state tax revenues for the
160 athletic and entertainment facility of the
161 professional sports franchise for any fiscal
162 year;

163 (3) The net bond proceeds of any bonds
164 supported by annual expenditures by the state
165 under subsections 2 to 5 of this section for any
166 project shall not exceed fifty percent of the
167 total costs of the project;

168 (4) The director and the commissioner are
169 satisfied that there is sufficient public
170 investment made or to be made by units of local
171 government to support infrastructure or other
172 needs generated by the project; and

173 (5) For any athletic and entertainment
174 facility project for which funds are expended
175 under this section, if the owners of the
176 applicable professional sports franchise
177 relocate any of the professional sports
178 franchise, athletic and entertainment facility,
179 headquarters, or training facility, and if any
180 such facility is located in the state at the
181 time the application is submitted or is
182 constructed in the state as part of the project,
183 to another state during the term of the
184 agreement entered into under subsections 2 to 5
185 of this section, it shall be considered a
186 default event, and such owners of the
187 professional sports franchise shall repay to the
188 state general revenue fund:

189 (a) The amount of funds expended by the
190 state pursuant to such agreement through the
191 date of the default event;

192 (b) The total debt service remaining for
193 any outstanding bonded indebtedness for the
194 project that was to be paid from state revenues
195 under the agreement after the date of the
196 default event through the maturity date of any
197 such bonds or an amount sufficient to pay off
198 any such bonds; and

199 (c) The amount of the tax credits issued
200 under subsection 6 of this section. If,
201 however, the default event occurs within five
202 years of the ending of the term of the lease,
203 then the owners of the professional sports
204 franchise shall be responsible for the total
205 debt service remaining for any outstanding
206 bonded indebtedness for the project that was to
207 be paid from state revenues under the agreement
208 or an amount sufficient to pay off any such
209 bonds, and for no other funds expended by the
210 state under the agreement nor for tax credits
211 issued under subsection 6 of this section.

212 6. (1) For the purposes of funding an
213 athletic and entertainment facility project as
214 described in this section, the board may, in
215 addition to the authority under subsection 6 of
216 section 100.286, authorize any taxpayer,
217 including any charitable organization that is
218 exempt from federal income tax and whose
219 Missouri unrelated business taxable income, if
220 any, would be subject to the state income tax
221 imposed pursuant to chapter 143, to receive a
222 tax credit in the amount of fifty percent of any
223 amount contributed in money or property by the
224 taxpayer to the infrastructure development fund
225 during the taxpayer's tax year, provided,
226 however, the tax credits awarded under this
227 subsection for an athletic and entertainment
228 facility project shall not exceed ten percent of
229 the amount of private investment in the athletic
230 and entertainment facility project or fifty
231 million dollars, whichever is less, and the
232 total of such tax credits may be issued over a
233 maximum of three calendar years, at the
234 discretion of the board. Such credit shall not
235 apply to reserve participation fees paid by
236 borrowers under sections 100.250 to 100.297.

237 (2) The portion of earned tax credits
238 which exceeds the taxpayer's tax liability may
239 be carried forward for up to five years
240 following the issuance year.

241 (3) The annual limits in section 100.286
242 shall not apply to tax credits issued under this

243 subsection. Tax credits issued under this
244 subsection shall not count towards the annual
245 limits in section 100.286.

246 (4) The tax credits issued under this
247 subsection may be transferred or sold as
248 described in subsection 7 of section 100.286.

249 (5) If an athletic and entertainment
250 facility project receives tax credits under this
251 subsection, such athletic and entertainment
252 facility project shall not be permitted to
253 receive tax credits under section 100.286.

254 7. In addition to any other authority
255 granted under section 100.250, the board is
256 authorized to issue its bonds payable from the
257 annual expenditure by the state described in
258 this section to assist in the financing of an
259 athletic and entertainment facility project.

260 8. Notwithstanding any provision of law to
261 the contrary, contributions received by any
262 committee, as such terms are defined in section
263 130.011, may be used for any reasonable legal
264 fees incurred in defense of a legal proceeding
265 arising out of the official duties conducted
266 pursuant to this section by a holder of elective
267 office.]

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